

Message Text

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ACTION EA-07

INFO OCT-01 ARA-10 EUR-10 NEA-06 ISO-00 CIAE-00 PM-03 H-01

INR-10 L-02 NSAE-00 NSC-07 PA-01 RSC-01 PRS-01 SP-02

SS-14 AID-05 DPW-01 OMB-01 IO-03 ACDA-10 EB-03 COME-00

AGR-03 FRB-01 TRSE-00 CIEP-01 DRC-01 /105 W

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P R 081145Z OCT 74

FM AMEMBASSY PHNOM PENH

TO SECSTATE WASHDC PRIORITY 7984

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMCONSUL HONG KONG

AMEMBASSY KUALA LUMPUR

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MONTEVIDEO

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

USLO PEKING

AMEMBASSY RANGOON

AMEMBASSY SAIGON

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

USIA WASHDC

AMEMBASSY TOKYO

AMCONSUL UDORN

AMEMBASSY VIENTIANE

AMEMBASSY WELLINGTON

USMISSION USUN

AMCONSUL CAN THO

AMCONSUL BIEN HOA

AMEMBASSY TAIPEI

CINCPAC

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CGUSARSUPTHAI
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COMNAVINTCOM
COMSEVENTHFLT
COMUSMACTHAI
7/13 AF
COMUSSAG
III MAF
CINCPACAF
CTG SEVEN NINE PT FOUR

C O N F I D E N T I A L SECTION 1 OF 2 PHNOM PENH 13518

E.O. 11652: GDS
TAGS: PINT, PINS, PFOR, MOPS, ECON, CB
SUBJ: KHMER REPORT - OCTOBER 8, 1974

GENERAL

1. ASIAN FRIENDS OF THE KHMER REPUBLIC HAVE PUT TOGETHER A UNGA RESOLUTION TO SERVE AS AN ALTERNATIVE TO THE PRO-GRUNK ITEM ALREADY ON THE AGENDA AND ARE NOW ACTIVELY SEEKING CO-SPONSORS. THE US AND THE GKR'S ASIAN SUPPORTERS HAVE A MASSIVE CAMPAIGN UNDERWAY TO LINE UP SUPPORT FOR THE NEW RESOLUTION. SIHANOUK ECHOED KHIEU SAMPHAN'S THEME OF LAST WEEK THAT GRUNK REALLY IS A GOVERNMENT AND ASSERTED THAT ONLY A FEW GRUNK LUMINARIES LIKE HIMSELF ARE OUTSIDE LIBERATED TERRITORY ON TEMPORARY MISSION. FANK'S COMMANDER-IN-CHIEF RIDICULED GRUNK/FUNK CLAIMS TO TERRITORIAL AND POPULATION CONTROL AND HIS TROOPS BACKED HIM UP BY SWEEPING KC FORCES FROM A 15-KM STRETCH OF VITAL ROUTE 5, INFLECTING HEAVY CASUALTIES. THE KC, HOWEVER, IN WHAT IS APPARENTLY A SMALL SCALE OPERATION, CUT THE ROAD AT A POINT FURTHER NORTH.

POLITICAL (INTERNAL)

2. FANK COMMANDER-IN-CHIEF SOSTHENE FRNANDEZ USED THE
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OCTOBER 4 GRADUATION CEREMONY AT THE MILITARY OFFICERS ACADEMY TO RIDICULE CAMBODIAN PEOPLE'S NATIONAL LIBERATION ARMED FORCES COMMANDER KHIEU SAMPHAN'S DEMAND THAT GRUNK SHOULD GET THE KHMER UN SEAT. SOSTHENE ARGUED THAT IF GRUNK REALLY HAS 90 PERCENT OF THE TERRITORY AND THE SUPPORT OF 5.5 OF CAMBODIA'S SEVEN MILLION INHABITANTS "THE WAR WOULD HAVE ENDED, TO GRUNK'S ADVANTAGE A LONG TIME AGO."

POLITICAL (EXTERNAL)

3. IN NEW YORK ASIAN FRIENDS OF THE KHMER REPUBLIC PUT TOGETHER A RESOLUTION TO SERVE AS AN ALTERNATIVE TO THE PRO-GRUNK ALBANIAN RESOLUTION AND ARE NOW SEEKING CO-SPONSORS. THE NEW RESOLUTION URGES THE KHMER TO HOLD TALKS TO SEEK A PEACEFUL SOLUTION; ASKS THE UN SECRETARY-GENERAL TO MEDIATE IN ORDER TO HELP GET SUCH TALKS STARTED; AND DECIDES NOT TO TAKE ANY OTHER ACTION AT THE ONGOING 29TH UNGA.

4. IN GENERAL DEBATE, THE CHINESE CHIEF DELEGATE ASSERTED THAT THE "KEY TO RESTORING PEACE IN CAMBODIA LIES IN THE CESSATION OF US AGGRESSION AND INTERFERENCE..." HE REAFFIRMED CHINA'S SUPPORT FOR GRUNK, VILIFIED THE LONG NOL GOVERNMENT, HIGHLIGHTED GKR ECONOMIC DIFFICULTIES AND DISMISSED THE (JULY9) CALL FOR TALKS AS DESIGNED FOR "A DEMAGOGIC EFFECT." THE GUINEAN FOREIGN MINISTER CLAIMED THAT THE GKR HAS AMPLY DEMONSTRATED ITS UNPOPULARITY" AND URGED AN END TO AID TO LONG NOL. THE EGYPTIAN FOREIGN MINISTER LIMITED HIMSELF TO NOTING THAT THE KHMER AND LAO SHOULD BE LEFT TO DECIDE THEIR OWN AFFAIRS "WITHOUT DICTATION OR PRESSURE FROM ABROAD...."

5. PRAVDA SAID THAT THE DECISION TO USE THE US CIVILIAN AIRLINE, BIRD AIR, TO AIRLIFT MILITARY EQUIPMENT TO CAMBODIA (SEE KHMER REPORT OCT 2) IS A MASQUERADE WHICH THE PENTAGON IS USING AS A COVER TO SOOTHE US LEGISLATORS AND MAKE IT "MORALLY" EASIER TO CONTINUE MILITARILY SUPPLYING THE LONG NOL GOVERNMENT.

GRUNK/FUNK

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6. ON OCTOBER 5 SIHANOUK ISSUED HIS CONTRIBUTION TO UNGA DEBATE ON KHMER CREDENTIALS BY REAFFIRMING GRUNK'S TERRITORIAL CLAIMS AND EMPHASIZING ITS ATTRIBUTES AS A GOING GOVERNMENT. HE HIGHLIGHTED THE THEME THAT GRUNK IS FULLY INSTALLED IN KHMER TERRITORY WITH ALL MINISTERS PRESENT IN CAMBODIA EXCEPT THE FOREIGN MINISTER. ONLY A FEW NOTABLES SUCH AS HIMSELF, HE SAID, ARE TEMPORARILY SECONDED ON ASSIGNMENT ABROAD. THE PRINCE ALSO NOTED THAT KHIEU SAMPHAN IS ACTING PRIME MINISTER BECAUSE PENN NOUTH IS UNDER MEDICAL TREATMENT IN PEKING.

7. GRUNK "ACTING" PRIME MINISTER AND ARMY COMMANDER KHIEU SAMPHAN HAS ISSUED A SERIES OF APPEALS TO YOUTHS, STUDENTS AND INTELLECTUALS; TO TROOPS AND POLICE; TO MONKS; AND TO GOVERNMENT PERSONNEL. THE RADIO APPEALS

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SS-14 AID-05 DPW-01 OMB-01 IO-03 ACDA-10 EB-03 AGR-03

COME-00 FRB-01 TRSE-00 CIEP-01 DRC-01 /105 W

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P R 081145Z OCT 74

FM AMEMBASSY PHNOM PENH

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INFO AMEMBASSY BANGKOK

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C O N F I D E N T I A L SECTION 2 OF 2 PHNOM PENH 13518

SET FORTH HIS VIEW OF GKR ECONOMIC DIFFICULTIES AND
TERRITORIAL LOSSES; NOTE THAT AMERICAN ECONOMIC PROBLEMS
PUT FUTURE US AID IN DOUBT, TRUMPET GRUNK/FUNK'S DE-
TERMINATION TO FIGHT ON AND ASK LISTENERS TO RISE UP,
RAID RICE STOREHOUSES, SHOOT GKR OFFICIALS OR, AT THE
LEAST, "NOT DO ANYTING PHYSICALLY OR MORALLY WHICH MAY
GIVE ENCOURAGEMENT TO THE TRAITOROUS CLIQUE...."

8. NLF RADIO REACTED SHA
PLY TO LON NOL'S SEPTEMBER 24
CHARGES OF FOUR AND A HALF YEARS OF VC/NVA AGGRESSION
IN A SPEECH TO THE KHMER NATIONAL ASSEMBLY. THE NLF
COMMENTARY ASSERTED THAT THE PRG HAS SHOWN THAT
IT RESPECTS "THE SOVEREIGNTY, INDEPENDENCE, UNITY AND
TERRITORIAL INTEGRITY OF CAMBODIA THIN ITS PRESENT
BORDERS," AND WENT ON TO CITE THE GVN, THAILAND AND THE
US AS THE REAL INVADERS OF CAMBODIA.

ECONOMIC

9. RETAIL PRICES WERE MIXED FOR THE WEEK ENDING OCTOBER 7.
SALT REMAINED STABLE, SUGAR INCREASED SEVEN PERCENT,
CHICKEN INCREASED TWO PERCENT, BEEF DROPPED SIX PERCENT,
AND PL 480 RICE FELL FIVE PERCENT. PRICES, AS MEASURED
BY THE EMBASSY PRICE INDEX (FOOD AND NON-FOOD), SHOWED
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A NET GAIN OF SIX PERCENT OVER THE PREVIOUS WEEK, THE

RESULT OF INCREASING FISH AND VEGETABLE PRICES, OR AN OVERALL INCREASE OF TWENTY-FIVE PERCENT SINCE THE SEPTEMBER 15 INAUGURATED REFORMS. NOUVEAU MARCHÉ DES CHANGES ACTIVITY DECLINED LAST WEEK. TOTAL BIDS IN TWO MARKETS AVERAGED 1.036 MILLION DOLLARS, WHICH IS LOWER THAN IN THE PREVIOUS REPORTING PERIOD. (SEE LAST WEEK'S KHMER REPORT). THE CUT-OFF RATE FOR THE SEPTEMBER 30 MARKET WAS 1,480 WHILE THE OCTOBER 3 CUT-OFF POINT WAS 1,350. TOTAL FOREIGN EXCHANGE SOLD IN THE SEPTEMBER 30 MARKET WAS 582,000 DOLLARS WHILE THE TOTAL OCTOBER 3 MARKET SALES AMOUNTED TO 416,000 DOLLARS. ON MONDAY, OCTOBER 7, THE EXCHANGE RATE WAS 1280 RIELS PER DOLLAR. THE BLACK MARKET RATE VARIED BETWEEN 1400-1500 RIELS/ DOLLAR OVER THE WEEK.

10. ON OCTOBER 6 PHNOM PENH HAD RICE STOCKS OF 30,471 MT, OR A 39-DAY SUPPLY AT 770 MT PER DAY. KOMPONG SOM REPORTS A STOCK OF 2,686 MT AS OF OCTOBER 5. IN SAIGON 32,493 MT OF RICE ARE AWAITING SHIPMENT TO PHNOM PENH. NO RICE ARRIVED FROM BATTAMBANG DUE TO ENEMY INTERDICTION OF ROUTE 5 NORTH OF KOMPONG CHHNANG. FREE MARKET US RICE PRICES GENERALLY MATCH OFFICIAL PRICES, BUT ARE REPORTDLY LOWER IN SOME PARTS OF TH CAPITAL.

MILITARY

11. TWO TASK FORCES (EQUIVALENT TO NINE BATTALIONS) BEGAN OPERATIONS TO REOPEN ROUTE 5 ON OCTOBER 1 AND BRILLIANTLY SUCCEEDED IN CLEARING THE ENEMY FROM THE ROUTE BY OCTOBER 6. GENERAL NOU THO, OVERALL COMMANDER, REPORTED ONLY FIVE FRIENDLY KILLED AND 86 FRIENDLY WOUNDED WHILE KILLING OVER 427 ENEMY. REPAIRS ARE CURRENTLY PLANNED FOR A DAMAGED MAJOR BRIDGE WHICH IS VITAL TO THE NORMAL FLOW OF TRAFFIC. A THE WEK CLOSED ROUTE 5 WAS REPORTEDLY CUT AGAIN 45 KM SOUTHEAST OF PURSAT AND GOVERNMENT FORCES WERE REACTING QUICKLY TO COUNTERATTACK AND REOPEN THE ROAD.

12. AT SIEM REAP HEAVY ENEMY GROUND ATTACKS OCTOBER 3

DISLODGED THE TWO FRIENDLY BRIGADES FROM THEIR POSITIONS
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EAST OF THE CITY, FORCING THEM TO WITHDRAW CLOSER TO THE PROVINCE CAPITAL. CASUALTIES FOR THIS RETREAT WERE LISTED AT 22 KIA, 137 WIA AND 15 MIA. FANK FORCES ARE CURRENTLY BEING REINFORCED AND REFITTED TO MEET ANTICIPATED RENEWED ENEMY INITIATIVES.

13. SVAY RIENG CAME UNDER HEAVY ENEMY PRESSURE THROUGHOUT THE WEEK. SEVERAL 122MM ROCKETS FIRED INTO THE CITY CAUSD

MINOR CASUALTIES. SOME SMALL FRIENDLY POSITIONS WERE BRIEFLY LOST BUT ALL HAVE BEEN RETAKEN THROUGH AGGRESSIVE FRIENDLY COUNTERATTACKS.

14. TAKEO REPORTED A 10-HOUR ENGAGEMENT WITH A FOUR BN SIZED ENEMY FORCE KILLING 16 ENEMY AND WOUNDING ANOTHER 60.

15. OVER THE LAST WEEK ONE MEKONG CONVOY ARRIVED UN-DAMAGED DESPITE AN ATTACK BY FIRE. THE KHMER NAVY ESCORTED THREE ROUND-TRIP CONVOYS TO KOMPONG CHHNANG WITHOUT INCIDENT.

16. NAVY COMMANDER VONG SARENDY AND INTERIOR MINISTER EK PROEUNG HAVE RECEIVED THEIR SECOND STAR. MR III COMMANDER SEK SAM IET ALSO RECEIVED A SECOND STAR AND REPORTEDLY WILL SHORTLY BE TRANSFERRED FROM BATTAMBANG TO THE MARSHAL'S STAFF.
DEAN

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